

The Importance of Service Credit in Prior Periods

From January 1987 through August 1991, service credit carried additional importance for employers. During that period, for members of PERS Plan 1 and Plan 2, TRS Plan 2 and LEOFF Plan 2, contributions were not due unless service credit was earned. An employer determined whether an employee had earned service credit each month before deciding to pay employer and employee contributions. For details about service credit rules for prior periods, refer to the information on Service Credit and Contributions for each system later in this chapter.

How is Service Credit Earned

Each retirement system and plan has rules about how service credit is earned. In general, a member earns service credit for each month or year in which he or she works a certain number of hours or days. TRS Plan 1 members earn one year of service credit for working 144 days or more, or a fraction of a year, if they work between 20 and 144 days in a fiscal year. Since September 1, 1991, for PERS Plan 2, SERS Plan 2, TRS Plan 2, LEOFF Plan 2, since July 1, 1996, for TRS Plan 3, since September 1, 2000, for SERS Plan 3 and as of March 1, 2002, for PERS Plan 3, members can earn *partial service credit* (either $\frac{1}{4}$ or $\frac{1}{2}$ of a full month) for working fewer than the number of hours required for a full month of service credit. PERS Plan 1 members can earn either $\frac{1}{4}$ or a full month of service credit in a month.

For members of PERS, SERS Plan 2 and Plan 3, TRS Plan 2 and Plan 3, LEOFF, JRS and WSPRS, service credit is measured in months. Service credit for members of TRS Plan 1 is measured in years. Basic rules of service credit for each system are explained later in this chapter.

Service Credit for Certain Types of Leaves

In some circumstances, members may also earn or purchase service credit for military leave, disability leave or unpaid leave of absence authorized by an employer. Rules vary between systems and plans. A member who needs more information should refer to the appropriate member handbook.

Service Credit Reported on Member's Annual Statement

Each year, DRS provides you with an annual statement for each employee who is a member of a retirement system. The statements incorporate the member's individual account information with details about the system and plan and how a benefit is calculated at retirement. The annual statements are sent to you for distribution. Statements are sent to education employers each November and non-educational employers receive statements in March.

Information on the annual statements include service credit earned by the member for the prior year (calendar or school year, depending on the type of employer) and the member's total service credit and, for all except TRS Plan 3 and SERS Plan 3 members, contribution and interest account information. If you or the member suspect an error on the annual statement, contact the appropriate Retirement Services Unit at DRS.